

PROPOSED CONSTITUTIONAL AMENDMENTS

HOUSE JOINT RESOLUTIONS

H.J.R. No. 4

A JOINT RESOLUTION

proposing a constitutional amendment increasing the amount of the school property tax residence homestead exemption and providing for the continuation and reduction of the school tax limitation on the homesteads of certain persons.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 1-b(c) and (d), Article VIII, Texas Constitution, are amended to read as follows:

(c) *Fifteen Thousand Dollars (\$15,000)* [~~Five Thousand Dollars (\$5,000)~~] of the market value of the residence homestead of a married or unmarried adult, including one living alone, is exempt from ad valorem taxation for general elementary and secondary public school purposes. *The legislature by general law may provide that all or part of the exemption does not apply to a district or political subdivision that imposes ad valorem taxes for public education purposes but is not the principal school district providing general elementary and secondary public education throughout its territory.* In addition to this exemption, the legislature by general law may exempt an amount not to exceed Ten Thousand Dollars (\$10,000) of the market value of the residence homestead of a person who is disabled as defined in Subsection (b) of this section and of a person sixty-five (65) years of age or older from ad valorem taxation for general elementary and secondary public school purposes. The legislature by general law may base the amount of and condition eligibility for the additional exemption authorized by this subsection for disabled persons and for persons sixty-five (65) years of age or older on economic need. An eligible disabled person who is sixty-five (65) years of age or older may not receive both exemptions from a school district but may choose either. An eligible person is entitled to receive both the exemption required by this subsection for all residence homesteads and any exemption adopted pursuant to Subsection (b) of this section, but the legislature shall provide by general law whether an eligible disabled or elderly person may receive both the additional exemption for the elderly and disabled authorized by this subsection and any exemption for the elderly or disabled adopted pursuant to Subsection (b) of this section. Where ad valorem tax has previously been pledged for the payment of debt, the taxing officers of a school district may continue to levy and collect the tax against the value of homesteads exempted under this subsection until the debt is discharged if the cessation of the levy would impair the obligation of the contract by which the debt was created. The legislature shall provide for formulas to protect school districts against all or part of the revenue loss incurred by the implementation of Article VIII, Sections 1-b(c), 1-b(d), and 1-d-1, of this constitution. The legislature by general law may define residence homestead for purposes of this section.

(d) Except as otherwise provided by this subsection, if a person receives the residence homestead exemption prescribed by Subsection (c) of this section for homesteads of persons sixty-five (65) years of age or older, the total amount of ad valorem taxes imposed on that homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption. If a person sixty-five (65) years of age or older dies in a year in which the person received the exemption, the total amount of ad valorem taxes imposed on the homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person's surviving spouse if the spouse is fifty-five (55) years of age or older at the time of the person's death, subject to any exceptions provided by general law. *The legislature, by general law, may provide for the*

transfer of all or a proportionate amount of a limitation provided by this subsection for a person who qualifies for the limitation and establishes a different residence homestead. However, taxes otherwise limited by this subsection may be increased to the extent the value of the homestead is increased by improvements other than repairs or improvements made to comply with governmental requirements and except as may be consistent with the transfer of a limitation under this subsection. For a residence homestead subject to the limitation provided by this subsection in the 1996 tax year or an earlier tax year, the legislature shall provide for a reduction in the amount of the limitation for the 1997 tax year and subsequent tax years in an amount equal to \$10,000 multiplied by the 1997 tax rate for general elementary and secondary public school purposes applicable to the residence homestead.

SECTION 2. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) *This temporary provision applies to the constitutional amendment proposed by H.J.R. No. 4, 75th Legislature, Regular Session, 1997, and expires January 2, 1998.*

(b) *The amendment to Section 1-b(c), Article VIII, of this constitution takes effect for the tax year beginning January 1, 1997.*

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held August 9, 1997. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment providing school property tax relief by increasing the residence homestead exemption by \$10,000 and providing for the transfer of the tax limitation to another qualified homestead for persons over 65 and a reduction in taxes on homesteads subject to the limitation."

Passed by the House on April 23, 1997: Yeas 114, Nays 35, 0 present, not voting; the House refused to concur in Senate amendments to H.J.R. No. 4 on May 12, 1997, by a non-record vote and requested the appointment of a conference committee to consider the differences between the two houses; the House adopted the conference committee report on H.J.R. No. 4 on May 31, 1997: Yeas 128, Nays 18, 2 present, not voting; passed by the Senate, with amendments, on May 10, 1997: Yeas 23, Nays 7; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; the Senate adopted the conference committee report on H.J.R. No. 4 on May 31, 1997: Yeas 27, Nays 3.

Filed with the Secretary of State June 2, 1997.

H.J.R. No. 8

A JOINT RESOLUTION

proposing a constitutional amendment to extend the full faith and credit of the state to support the Texas tomorrow fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article VII, Texas Constitution, is amended by adding Section 19 to read as follows:

Sec. 19. TEXAS TOMORROW FUND. (a) *The Texas tomorrow fund is created as a trust fund dedicated to the prepayment of tuition and fees for higher education as provided by the general laws of this state for the prepaid higher education tuition program. The assets of the fund are held in trust for the benefit of participants and beneficiaries and may not be diverted. The state shall hold the assets of the fund for the exclusive purposes of providing benefits to participants and beneficiaries and defraying reasonable expenses of administering the program.*

(b) *Financing of benefits must be based on sound actuarial principles. The amount contributed by a person participating in the prepaid higher education program shall be as provided by the general laws of this state, but may not be less than the amount anticipated for tuition and required fees based on sound actuarial principles. If in any fiscal year there is not enough money in the Texas tomorrow fund to pay the tuition and required fees of an institution of higher education in which a beneficiary enrolls or the appropriate portion of*